



Country or Region: Poland

CNC Machine Tools

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Summary

This report provides an introduction to the market for CNC machine tools in Poland.

Industry leaders evaluate the size of the market in Poland in 2010 at 1 billion Euro. This figure represents a market approximately ten times smaller than Germany's. Poland relies heavily on imports, especially of these highly sophisticated machines. The country imports mainly from Germany, Italy, Switzerland, USA and also the Far East. Successful Polish producers focus on highly specialized machine tools.

The machine tools sector was once one of the great specialties of Polish industry – in 1978 the American magazine “American Machinist” ranked Poland in 5th place on the list of largest exporters/importers of machine tools. The industry suffered a great decline after 1990 when economic changes were introduced in all Central and Eastern Europe. The market economy proved that the strong Polish machine tools industry was in fact a colossus with feet of clay. The industry lacked innovation, and the collapse of the Council for Mutual Economic Assistance (Comecon) significantly lowered the once very high and stable demand for Polish made machine tools from other Comecon countries.

After Poland's accession to the EU on May 1, 2004, the duty for machine tools decreased according to the EU's external tariff schedule. Subsequently, this has resulted in increased imports coming into Poland from the U.S.

Market Overview

The subsector's total market size is very difficult to determine due to several factors including Polish statistical reporting system.

The statistics below include repair/garage equipment with the following Harmonized Tariff System Codes:

8456, 8457, 8458, 8459, 8460, 8461, 8462, 8463, and 8466.

MARKET SIZE TABLE (U.S. DOLLARS MILLIONS)

	2007	2008	2009 (E)	2010 (E)
Import Market	886	1159	633	550
Local Production	N/A	N/A	N/A	N/A
Exports	364	427	300	200
Total Market	N/A	N/A	N/A	N/A
Imports from U.S.	37.9	71.2	30	20

Exchange Rate: 2007 USD 1 = 2.7667 PLN

2008 USD 1 = 2.4092 PLN

2009 USD 1 = 3.1162 PLN

2010 USD 1 = 3.20 PLN* *estimated*

Estimated future inflation rate for 2010 is 3.00%

* Estimation based on statistical data for the three quarters of 2009 and one quarter of 2010 that are currently available in the Main Statistical Office (GUS). Complete statistical data for 2010 will be available in the first half of 2011.

SOURCES:

Chief Statistical Office of Poland (GUS) Yearbook 2006, 2007, 2008, 2009, 2010
National Bank of Poland, and www.money.pl

The figures shown in the table were collected by Poland's Chief Statistical Office --GUS (note: there is a substantial difference between these figures and U.S. statistics on exports to Poland. GUS information may not be complete and their tables do not offer comprehensive information on this industry sector).

Companies from Germany, Italy, Japan, Switzerland, China, Taiwan, and Korea are the leading suppliers of CNC machines in Poland. In the last decade Asian suppliers have expanded their market share. The market has suffered in the last two years from global recession, but it is expected that in the end of 2010 sales should increase again.

The US import share is 4.5%, with Haas and Fanuc Robotics as the leading American producers present on the Polish market.

At this time, the Polish machine tool industry is going through a great deal of restructuring. Some major producers were bought out by leading foreign manufacturers like DMG, or HACO (Pamot, FAT, and Jafo) and are successfully exporting their machines to multiple Western markets including Germany and the US. Other producers are owned by local Polish capital, and some companies, such as Rafamet, even trade shares on Warsaw's public stock exchange. While some Polish companies are doing well, others are struggling to survive or are already in liquidation. In 2006

there was an attempt to organize an Association of Polish Machine Tool Producers – in the beginning the Association included nearly 20 leading Polish producers. Over the long run, however, it turned out that companies were unable to neither communicate their common interests effectively nor come to consensus regarding their agenda. The Association was disbanded in 2010.

A majority of Polish producers offer machining centers with two or three axis, some include four (Jazon) or five (Avia) axis machines in their offers. Industry specialists stress that in order to stay profitable, Polish companies should focus on production of highly specialized machine tools, as they would not be able to compete with mass produced standard machine tools originating from Asia. Rafamet, specializing in machines for shaping railway wheel sets, is an example of a company that adopted such a successful strategy.

The following are major machine tools producers in Poland:

Famot Pleszew (<http://www.famot.pl/en.plant.famot>) owned by DMG/Gildemeister
FAT Wroclaw (http://www.fathaco.com/index.php?lang_en) owned by HACO
Jafo Jarocin (<http://www.jafo.com.pl>) owned by Swedish Machine Group
Avia SA (www.avia.com.pl)
Jazon (www.jazon.com.pl)
AFM Andrychow (www.afm.pl)
Barosz Gwimet (www.gwimet.pl)
ZM Tarnow (www.zmt.tarnow.pl)
Rafamet (www.rafamet.com)
Jotes (www.jotes.pl)
Poreba (www.fum-poreba.pl)
FUM Chofum Obrabiarki (www.chofumobrabiarki.pl)
Ponar Defum (www.defum.com.pl)
DTI Raciborz (www.dti.com.pl)
CBKO Pruszkow (www.cbko.pl)
IZTW Krakow (www.ios.krakow.pl)

Currently only Rafamet, FUM Poreba , Famot and DTI Raciborz are known well outside of Poland.

Major world-known machine tools producers are present in Poland either through their own offices or through representatives.

The following are major machine tools importers/distributors in Poland:

Abplanalp – www.abplanalp.pl – represents Haas, Manuhrrin, You Ji, Mitsubishi, Accutex, Tederic, Yawei, Prima Industry Finn-Power and others;
Marcosta – www.marcosta.com.pl – represents Optimum, IMS, Hurco, Quantum, Trens;;
APX Technologie www.apx.pl – represents MORI SEIKI, HARTFORD, FEMCO, FANUC, PROTH;
Machine Tools International – www.mti.pl – represents MAG Cincinnati, Hyundai-Kia Machine, Zayer, Dugard;
TBI Technology – www.tbitech.pl – represents AUERBACH, SAFOP, SPINNER;
Asco – www.asco.pl – represents EMCO, IXION, MAXION, CMA,- BORMASTER, PROMAS, MPA;
Erall – www.erall.pl – represents Chiron and Emag;
Ai Lab – www.aillab.pl – represents BIGLIA, XYZ Machine Tools, GER, FAT HACO, Nexturn;
Dawin – www.dawin.pl – represents BLM GROUP, PFIFFNER, MEP, FOM, JIH, GRAULE, VIVERK;

Eurotec – www.eurotec.pl – represents AXA - Entwicklungs - und Maschinenbau GmbH, BOEHRINGER Werkzeugmaschinenfabrik GmbH, BURKA - KOSMOS GmbH, GLEASON - PFAUTER GmbH, Maschinenfabrik HERKULES GmbH&Co.KG, Ipsen International GmbH, PVM Druckgussmaschinen GmbH, SERWEMA GmbH&Co.KG, StarragHeckert Technology, UNION Werkzeugmaschinen GmbH;

Galika – www.galika.pl – represents Alzmetal, Blohm Maschinenbau, Ewag, FPT Industrie, Index-Werke, Traub Drehmaschinen;

Gorbrex – www.gorbrex.pl – represents several companies from Taiwan including GOODWAY MACHINE CORP. CO., LTD., AWEA MECHANTRONIC CO., LTD., DAH LIH MACHINERY INDUSTRY CO., LTD., 4. KAO MING MACHINERY INDUSTRIAL CO., LTD. and others

Mexim – www.mexim.pl – represents Kondia

Pro-Tech – www.pro-tech.pl - represents Roundtop Machinery Industries (Johnford) and Jinn Fa Machine Industrial

Many foreign producers like Agie Charmilles, Fidia, EIMA, EMAG, Hannsa, Hurco, Kovosvit Mas, Mecal, Sahos, Yamazaki Mazak, Fanuc Robotics have their own offices in Poland.

The Polish market sees growing competition from producers of less expensive machine tools from Taiwan, China, Korea and India. Experts say that their quality is improving and this influences buyers' decisions.

Best Prospects

- Multifunction CNC centers
- High Speed Machining centers
- High Performance Machining centers
- CNC lathes
- Parts

Market Access

Customs Duty

Poland joined the European Union on May 1, 2004. Tariffs on U.S. produced parts reflect EU levels. The import duties for CNC machine tools vary between 0 and 2.7 percent. Potential exporters can check the duty rates on-line at the following web site:

http://ec.europa.eu/taxation_customs/dds/cgi-bin/tarchap?Lang=EN

Excise Tax

There is no excise tax for imported CNC machines.

VAT

A 22% VAT is calculated on CIF price increased by customs duty and excise tax (if applicable). The VAT rate may increase in 2011 to 23%.

Import Restrictions

There are no trade restrictions or other non-tariff barriers such as quotas in Poland. All equipment must comply with Polish and European safety regulations and technical standards including CE mark requirements. The metric system of weights and measures is standard in Poland.

Poland, as a member of the EU, has adopted all general EU regulations. For more information on the EU regulations consult with the U.S. Mission to the European Union at the following web page: <http://www.buyusa.gov/europeanunion/>

Prospective Buyers

The major industries creating demand for machine tools in Poland are aerospace, automotive, rail, defense, white goods and power. With significant investment done in all of these sectors including such high-profile acquisitions of PLZ Mielec by Sikorsky or PZL Rzeszow by Pratt & Whitney, there will be a growing demand for high quality CNC technology. Another sector that is seen as a potential buyer is the yacht production industry.

Market Entry Strategies

Poles hold the United States in very high regard and believe its products to be both reliable and of high quality. U.S. companies interested in establishing business ties in Poland should take advantage of this. American companies interested in expanding into the Polish market must devote time and effort toward promoting their products. Possible ways for American firms to do so are: participating in Polish trade shows (listed below), establishing contacts with Polish companies and institutions, and advertising in local trade publications.

For companies interested in selling in Poland, the best strategy is either to find a local Polish partner to be a sole distributor/agent or to register and establish a representative office in Poland. In any case, it is important to maintain a very close business relationship with potential Polish buyers. It is highly recommended that U.S. companies participate in appropriate trade fairs and advertise in professional magazines. Initial contact with potential Polish partners can be made through our customized Gold Key Service offered by the U.S. Department of Commerce's office in Warsaw. We also recommend that you visit the following website: <http://www.buyusa.gov/matchmaking/> to investigate leads in Poland.

Please take note that the equipment offered for sale in Poland must comply with the European voltage system of 240 volts and frequency 50 Hz. Poland uses the metric system; therefore all measurements must be calibrated accordingly. U.S. companies should work with their agent/representative to provide technical manuals in Polish. Extensive training for distributors and repair and a commitment to supplying spare parts is also essential to successfully enter the market.

Price is the decisive factor for the lower end of the market; while the high-end market focuses on performance and quality. Polish buyers stress the importance of professional technical advice, quality programming and quick and effective service. They also want to buy user-friendly machines, which, in case of any problems, can be easily diagnosed, even over the internet. The possibility to machine complex shapes in a single setup that reduces tooling cost and labor time is also appreciated. Successful distributors should have full range of machine tools available at their shop display.

Key Contacts:

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Trade Promotion Opportunities

Publications:

Swiat Obrabiarek
(The World of Machine Tools)
Address:
32-102 Tarnow
Klikowska 101 C
Tel. +48 14 62-66-852, 63-66-177,
e-mail: redakcja@swiatobrabiaiek.pl
www.swiatobrabiaiek.pl
Mr. Zbigniew Borowski, Chief Editor

This is a bimonthly magazine devoted to machine tools industry.

Upcoming Trade Shows:

Innovations-Technologies-Machines Mach-Tool

Organizer: Miedzynarodowe Targi Poznanskie Co. Ltd.
Glogowska 14
60-734 Poznan
Contact Person: Joanna Kucharska, Project Director
tel. +48 61 869 2093
e-mail: joanna.kucharska@mtp.pl
<http://machtool.mtp.pl/en/>

This trade show is held on annual basis. Their next event is scheduled for June 14-17, 2011.
Scope: machine tools for machining of metals, machines for cold working, machines and devices for hot working, rolling mill practice, tools, workshop and laboratory measuring devices, assembly machines and devices, industrial manipulators and robots, units and elements for drive transfer in machines, device and materials for rapid technologies, cooling and lubricant substances.

Over 900 exhibitors from dozens of countries and 16,000 visitors from Poland and abroad – according to the statistics of the Innovations-Technologies-Machines Poland 2010 Fair.

Eurotool Machine Tools & Material Processing Equipment Fair

Organizer:

Targi w Krakowie Co. Ltd.

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www.targi.krakow.pl

This trade show is held on annual basis. Their next event is scheduled for October 13-15, 2010.

Scope: machine tools of all types, material processing tools, technological instrumentation of machine tools, measurement instruments and tools and control-measurement devices, new technologies in material prototyping and processing, factory equipment (machines for technological transport, product storage etc.), software for machine tools, technological instruments and control-measurement devices, CAD/CAM systems, technical liquids and technical liquid conditioning devices, repair services for machine tools.

In 2009 there were 250 exhibitors from 20 countries, representing 600 manufacturers of machine tools, tools and other metal forming equipment from all over the world.

For More Information

The U.S. Commercial Service in Warsaw/Poland can be contacted via e-mail at:

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